

PEOPLE

ping Out Elvis: Million to Start

ong-awaited 29-cent stamp went on sale just after 11:30 a.m. Friday in Memphis at the street postal station...

at Francois Mitterrand's funeral in Paris on Wednesday in Paris...

Margaret Thatcher had been treated for pneumonia...

at State Dept. by Woody Allen...

INTERNATIONAL ASSOCIATED PRESS

MONDAY SPORTS NFL Results Page 15

INTERNATIONAL Herald Tribune

Table with exchange rates for various currencies including Arab, Austria, Belgium, Canada, etc.

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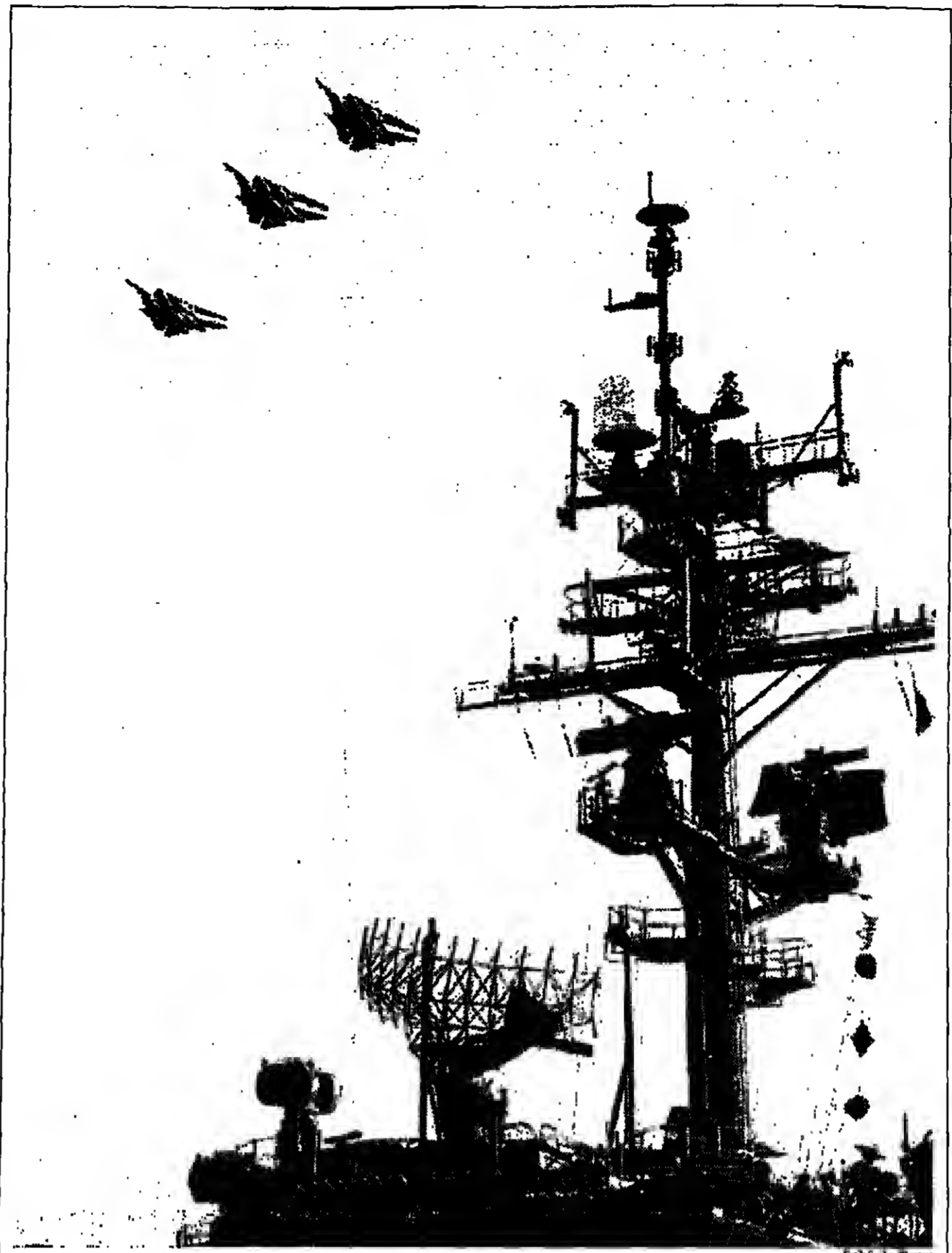
PARIS, MONDAY, JANUARY 11, 1993

ESTABLISHED 1887

French Call for Action To Free Bosnian Camps

Dumas Says France Will Act Alone, If Needed, to End Rape and Torture

Compiled by Our Staff From Dispatches PARIS — Foreign Minister Roland Dumas said Sunday that France was prepared to act alone if necessary to liberate by force prison camps in Bosnia where civilians had been raped and tortured.



F-14 fighter bombers, which have been patrolling the no-flight zone in southern Iraq, flying over the U.S. supercarrier Kitty Hawk.

Saddam Bars UN Flight, Challenging West Again

Iraqi Maneuver Follows Its Apparent Retreat In Dispute Over Missiles

By Youssef M. Ibrahim New York Times Service CAIRO — Iraq issued a new challenge to the United States and its allies on Sunday by banning United Nations inspectors from flying to its territory from Bahrain...

Clinton aide affirms 'fundamental continuity' with Bush administration policy, Page 4.

Iraqi weapons, to carry on their missions only if they flew to Baghdad in Iraqi airplanes. Iraq repeated the demand on Sunday when it banned a UN airplane, saying that inspectors had the choice of flying to Baghdad on Iraqi planes or driving there overland from Jordan.

The UN Security Council responded to the Iraqi initiative on Thursday by warning that if Iraq insisted on pressing this point it would face "grave consequences."

Speaking in a BBC television interview broadcast Sunday, Mr. Bush said he was certain that Mr. Clinton was as determined as he was to make sure that Mr. Saddam met his obligations under the Gulf War cease-fire agreement.

"Right up to Jan. 20, my message to him would be, 'Please abide by the UN resolutions or you are going to pay the price for that,'" Mr. Bush said. "I feel confident that President-elect Clinton feels the same way."

The United States and its Gulf War allies had set a Friday night deadline for Baghdad to move missiles from below the 32d parallel in southern Iraq. The deadline passed without incident, and the White House asserted that Iraq had quietly moved its anti-aircraft missile batteries to other sites.

An official Iraqi statement said the United States was "depicting the situation in an incorrect way."

The Iraqi statement followed a joint meeting of the ruling Revolution Command Council See IRAQ, Page 4

For U.S. Airmen, No Reason Yet to Rest

By William Drozdiak Washington Post Service ABOARD THE USS KITTY HAWK IN THE GULF — For Lieutenant Jim Davis and other top guns who rear off the decks of this supercarrier to help enforce the no-flight zone in southern Iraq, the defunct crisis with President Saddam Hussein of Iraq has given them some comfort but no cause for complacency.

"It's true the threat has diminished, but we're trained to think in terms of the worst case scenario," said Lieutenant Davis, an F-14A Tomcat pilot who has been flying daily patrols searching for Iraqi aircraft that venture into the forbidden area south of the 32d parallel.

"We've got our guard up on every flight, because we can't afford to be wrong," he added. Iraq's decision to pull back Soviet-made

surface-to-air missiles as the allied ultimatum expired Friday appears to have aborted what almost certainly would have been the United States' most serious military operation against Iraq since the Gulf War ended Baghdad's occupation of Kuwait two years ago.

In the hours before the deadline expired, the carrier's air wing flew nearly 100 sorties in night-time practice runs for what officers and crewmen hunted would have been an impressive aerial assault by the allies against Iraq. Rear Admiral Phillip J. Coady, the commander of the 10-ship U.S. battle group cruising in the Gulf, refused to discuss what targeting plans would have been carried out if Iraq did not move the missiles. But he insisted that the U.S. forces in the area "worked hard on preparations that bolster our hand more than at any time in the 157 days" of banning Iraqi aircraft in order to protect Shiite Muslim rebels in southern Iraq.

See GULF, Page 4



A Marine dressing down a youth who threw stones at troops Sunday in Mogadishu.

6 Killed and 100 Wounded In Mogadishu Street Fighting

By Keith B. Richburg Washington Post Service MOGADISHU, Somalia — At least six Somalis were killed and more than a hundred were wounded on Sunday in the most violent street battles in the capital since U.S. troops arrived a month ago.

Cruel Sea and Stout Ship: Oil-Spill Drama Plays On

By William E. Schmidt New York Times Service QUENDALE, Shetland Islands — With winds reaching hurricane levels, mountainous surf exploded against the leeward hull of the grounded tanker, each shuddering blow sending a thick, oily spray over the enfolding cliffs.

The jagged rocks and steep muddy pastures above the wreck glistened with a slick, black sheen, and the cloying odor of wind-blown oil was everywhere, making eyes burn and leaving a bitter taste in the back of the throat.

Five days after the tanker Braer lost power and was driven onto the rocks, spilling millions of gallons of oil into the sea and threatening a major ecological disaster, the worst of the damage remained concentrated here, within a narrow cleft in steep, ruggedly scenic coastline below a desolate headland called Garth's Ness.

The waves shoreward of the tanker were a deep, glutinous black, and on the rocky ledges seabirds covered against the wind as they tried to preen oil from their wings and feathers.

Nuclear Disagreement in Ukraine

KIEV (Reuters) — While a conservative Ukraine member of parliament expressed doubts, Ukraine's senior arms negotiator, Deputy Foreign Minister Boris Tarasnyk, said Sunday that leading nuclear nations had promised to offer Kiev security guarantees in writing if it backed the START-I accord.

General News Lebanon will bar UN peacekeepers from evacuating Palestinians, Page 2. All 163 aboard an Indian Airlines plane survived a New Delhi crash, Page 5.

Mr. Clinton's 'First Worrier' is little-known in Washington, Page 3. Miyazawa will query Asians on Japan's new security role, Page 5.

Business/Finance The punt and the French franc still face devaluation pressures, Page 9. Iran does not expect an early OPEC move to support oil prices, Page 9.

Crossword Page 16. Weather Page 16. Clinton's First 100 Days Entry form, Page 4.

Japanese Study Basic English: 'Stop Him!' 'Police!'

By David E. Sanger New York Times Service TOKYO — At 7 o'clock on Sunday nights, television viewers across Japan tune in to see the latest disaster to befall Hyota, a hapless traveler trying to survive in the United States with the English he learned in Japan's public schools.

mother, approached with the same question, clutched her baby and scurried away. A teenager asked if he was seeking a "gay man," and another directed him to a gardener.

TRANSITION / A GARDEN FRIEND

The President's Choice for 'First Worrier': Unusual, but Unusually Competent

By Ruth Marcus
Washington Post Service

LITTLE ROCK, Arkansas — To know what Bill Clinton told Thomas F. (Mack) McLarty on election night is to begin to understand why Mr. Clinton chose his friend of 40 years to be White House chief of staff.



Bill Clinton meeting with Thomas (Mack) McLarty, who says mutual trust will be one of their biggest assets in working together.

McLarty himself did not catch it the first time around, when Mr. Clinton spotted the Little Rock businessman in the crowd at the Old State House and shouted something lost in the euphoric pandemonium of that night.

By any standard, Mr. McLarty, 46, is an unconventional choice for chief of staff. He is a man who never formally worked for Mr. Clinton during his 12 years as governor; a businessman rather than a politician; a friend whose selection

is neither political payback, as in George Bush's rewarding John H. Sununu for his support in New Hampshire, nor the choice of a canny insider, as in Ronald Reagan's turning in the depths of his trans-contra troubles to a former Tennessee senator, Howard H. Baker Jr.

Those who know Mr. McLarty — Mr. Clinton's biggest detractors as well as his most ardent supporters — see three key qualities that may help him defy the conventional wisdom and fulfill that role:

Those who know Mr. McLarty — Mr. Clinton's biggest detractors as well as his most ardent supporters — see three key qualities that may help him defy the conventional wisdom and fulfill that role:

McLarty spoke of his future relationship with Mr. Clinton. "I think the trust relationship is a real plus," he said. "I really believe that Bill and I are not going to have any trouble talking straight to each other. We've done that for years, and it flows very smoothly. He wants it. That was one of the real elements that he felt was needed. Hillary's a good friend, someone I really admire greatly, so I think that's just a real positive aspect of the relationship and one reason why we do complement each other."

He simply let both of us know that he was not going to be involved with the campaign," Mr. Nelson said. "I understood exactly what he was doing — he was chairman of the state's largest utility, and any utility head had to get along with anybody in government, and he had to get along with his friend."

Film Stars, Egos Tender, Await Inaugural Roles

By Bernard Weinraub
New York Times Service

HOLLYWOOD — This town's celebrities, who are accustomed to royal treatment, are colliding head-on with President-elect Bill Clinton's inaugural team, which is treating them like, well, ordinary people.

As a result, the Clinton team scrambled over the weekend, making soothing phone calls and trying to heal the wounds in the entertainment world, whose denizens overwhelmingly supported the Democratic ticket and are expected to fly into Washington in great numbers.

to all the issues that are going to face the arts and communications.

"Hollywood wants to be part of this inauguration, claim it, be a participant in it," Mr. Guber said. "This is a real John Doe goes to Washington. It's Rocky: A classic movie motif. An underdog. Some guy in his mid-40s who went to Oxford and Yale. Wanted to be president. Wanted to be champion."

be the first Democratic presidential inauguration in 16 years and that, in the 1992 election, Hollywood's view of morality and reality turned into a political issue involving "family values" and Murphy Brown's baby.

Away From Politics

- Seven people were found shot to death in a fast-food restaurant in the middle-class Chicago suburb of Palatine. The six men and a woman included teenage employees of the restaurant, Brown's Chicken and Pasta, according to other workers.
- After two days of canceled editions, missed deadlines and other disruptions caused by a change in ownership and the dismissal of scores of reporters, editors and other staffers, news operations at the New York Daily News returned to near normal as a smaller staff got out on a full Sunday newspaper.
- A vehicle-counting device exploded at Los Angeles International Airport on Saturday night, sending fiery debris onto a parking garage ramp below but causing no injuries.
- Looking for ways to calm ethnic tensions in New York City, Mayor David N. Dinkins says he wants to deter local radio talk-show hosts and callers from making bigoted comments on air.
- Jan. 19 has been set as the execution date for

Charles Sylvester Stamper, a Virginia inmate who suffers from a spinal cord injury received in prison. Governor L. Douglas Wilder had granted a temporary stay in October to review a plea from attorneys who contended that Mr. Stamper, who has been using a wheelchair since being injured in a 1988 death-row fight with other convicts, was no longer a threat to society.

Hispanic journalists have voted to move their annual convention from Denver because of Colorado's new ban on civil rights protections for homosexuals. Its board said the National Association of Hispanic Journalists would not convene in Colorado again until the law was repealed or nullified. The new location for the three-day convention in March was not disclosed.

★ POLITICAL NOTES ★

Christopher's Role in Army Spying at Issue

WASHINGTON — Secretary of State-designate Warren M. Christopher's personal papers indicate he was informed in 1968 that army "operatives" were gathering intelligence on civil-rights and anti-war campaigners. But he later told Congress that as deputy attorney general, "I did not authorize it and I did not know about it."

Budweiser Horses Have Some Hopping Mad

WASHINGTON — The "king of beers" is coming to Bill Clinton's inaugural parade, and health and anti-alcohol organizations are urging Mr. Clinton to withdraw the invitation.

World Bank Economist to Get Treasury Post

WASHINGTON — Lawrence H. Summers, the chief economist for the World Bank, will be named undersecretary of the Treasury for international affairs, according to officials in Mr. Clinton's transition team.

Kansas May Head House Intelligence Panel

WASHINGTON — Representative Dan Glickman, Democrat of Kansas, is likely to be named head of the House Permanent Select Committee on Intelligence, congressional aides say.

Quote/Unquote

Peter Guber, chairman of Sony Pictures Entertainment, "This is the first time a president is younger than Mick Jagger. The Beatles are older than Bill and Hillary Clinton. When you recognize that, you say to yourself that this is going to bring a completely different judgment to all the issues that are going to face the arts and communications."

U.S. Presses Haiti To Settle Its Crisis

By Howard W. French
New York Times Service

PORT-AU-PRINCE, Haiti — As part of intensive joint efforts by the Bush administration and aides to President-elect Bill Clinton to settle Haiti's political crisis and avert a renewed flood of refugees, a U.S. Marine Corps general, in a visit to Port-au-Prince, has warned Haitian military leaders that they must quickly recognize the country's exiled president.

Father Aristide, in exile in Washington since his overthrow, was being told by these same parties that his cooperation was also expected and that concessions must be made by his side as well.

In a tense meeting at Haitian Army headquarters, they said, General Sheehan, who was in formal uniform, warned the military leaders that if the country's crisis was allowed to fester they would not "be able to look to their American counterparts for any kind of sustenance."

In 15 months of on-again, off-again efforts to settle Haiti's crisis, diplomats say, the country's army commander, Lieutenant General Raoul Cedras, has steadfastly sought refuge behind a series of military-backed civilian governments, refusing to become directly involved in political discussions.

Later, General Sheehan told the military leaders that if they quickly ended their opposition to a return of democratic government the United States was prepared to resume nonlethal aid to help professionalize a ragtag and undisciplined army. General Sheehan also began preliminary explorations of what shape such aid might take.

At the same time, when settlements have appeared close, Father Aristide has balked at the last moment, the diplomats say.

The general ended a 72-hour visit Friday morning. Commenting on his visit, a senior Bush administration official said that for the first time in months there was now a "window of opportunity" for settling Haiti's crisis.

The official pinned his cautious optimism on what he described as the "unprecedented cooperation" between incoming and outgoing administrations, the recent decision by the United Nations to become involved, and "fear in Haiti of harsher measures to come as well as simple exhaustion."

Other than the warning by General Sheehan that the United States would not help extricate members of Haiti's high command, officials said no direct threats of punitive action had been made.

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Although the U.S. Embassy said the general's visit was part of a long-planned swing through the region, diplomats and Haitians involved in discussions toward a political solution represented part of an aggressive and concerted push by the Bush administration, aides to Mr. Clinton and the United Nations.

While talks were under way in Port-au-Prince, a participant said,

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Indian Airlines flight attendants standing beside the crumpled wing of a Tupolev-154, which crashed without loss of life at New Delhi.

All 163 Aboard Survive New Delhi Crash

NEW DELHI — Investigators suspect pilot error in the crash of an Indian Airlines jet, according to an aviation official who attributed the survival of all 163 people aboard to the Soviet-built craft's sturdiness.
The Tupolev-154 jet crashed three hours before dawn Saturday while landing in heavy fog at Indira Gandhi International Airport. It broke up and overturned, but all aboard jumped to safety before flames engulfed the craft.
Six people were hospitalized with injuries.
The flight from Hyderabad, 1,000 miles south of New Delhi, was carrying 152 passengers and 11 crew. The jet was leased from Uzbek Airlines to break a month-old strike by more than 400 Indian Airlines pilots.
Prime Minister P.V. Narasimha Rao on Sunday accepted the resignation of Civil Aviation Minister Madhavrao Scindia.
M.S. Rana, a former air force pilot with the Civil Aviation Ministry, quoted investigators as saying that the pilot ignored orders from air traffic controllers not to land because of the fog. He said the pilot apparently was tired and did not want to fly to another airport.
Many pilots are working extra hours to make up for the shortage of pilots and keep flights running.
He said investigators attributed the survival of all aboard to the sturdiness of the plane.
"If it was another plane it would have overturned and collapsed and everybody would have burned to death," he said.
But Ganji Rafikov, general director of Uzbek Airlines, told the Moscow-based Itar-Tass news agency that the accident "cannot put in question the pilots' professionalism."
Mr. Rafikov said the pilot, Erkin Aripov, had obtained permission to land, but in the fog lost visual contact with the ground.
Officials said the pilot was off course in his approach to the runway and hit a group of lights to the right of the airstrip. It skidded on slushy grass along the runway for

Deaths Rise to 162 in 5th Day of Indian Violence

BOMBAY — Armed rioters fought running battles with the police in Bombay on Sunday as security forces tried to stop Hindu-Muslim violence in which 162 people have died in western India in five days.
Scores of fires burned across Bombay, India's business capital, as rival gangs took advantage of the communal fighting to loot shops, residents said.
In the Kalachowky district of central Bombay, Muslim rioters ignored a daytime curfew and shoot-on-sight orders to the army, fighting street battles with the police with guns, stones and bottles, witnesses said.
On the railroad line near Parel Station, two corpses lay on the tracks, while in the slum area of Mahim residents sat outside the charred remains of their huts where three people were reported burned to death during the night.
Curfew has been imposed in 13 areas of Bombay and 14 in Ahmedabad, but this has not stemmed the wave of stabbings and arson that are part of a flare-up of communal hatred linked to the destruction of an ancient mosque in northern India.
Although extra troops have been sent to Bombay, a city of 12 million

Miyazawa to Query Asians on Japan's New Security Role

TOKYO — Prime Minister Kiichi Miyazawa will begin an eight-day tour of Southeast Asia on Monday that intends to test the reaction to an expanded Japanese security role in the region.
He also wants to use the trip to strengthen Japan's voice at the meeting of G-7 industrialized nations here in July.
Although Western powers have chided Tokyo for not playing a greater role in international security, many Southeast Asians fear Japan will expand its military presence in the region if a vacuum is created by the reduction of U.S. forces, especially if China raises its profile.
Mr. Miyazawa is expected to try to reassure the leaders of Indonesia, Malaysia, Thailand and Brunei with proposals that underscore Japan's multilateral approach to security and aid, policies that go little beyond the status quo.
Although Southeast Asian leaders will most likely accept these ideas in general, they will question Japan's claim to serve as regional spokesman at the G-7 summit.
Japan has refused to grant full-scale aid to Moscow pending resolution of the nations' territorial dispute; a refusal that could be embarrassing for the host of a summit that may put Russian aid high on the agenda.
So Mr. Miyazawa will try to sound out and represent Southeast Asian views at the summit, hoping to reinforce his status in the process.
"The tour is most important as a ceremony," said Kenichi Ito, presi-

dent of the Japan Forum on International Relations. "He'll be able to claim to be representing Asian nations in the G-7."
The officials in Southeast Asia will also inquire about Japan's opposition to the East Asia Economic Caucus, a regional economic grouping being pushed by Malaysia. Japan says it fears the caucus, which excludes the United States, would encourage protectionist tendencies in the European Community, and the North American Trade Area grouping the United States, Mexico and Canada.
Japan's message includes stress on the importance of a continued U.S. presence in Asia. There are concerns that the administration of President-elect Bill Clinton, which takes office next week, will accelerate the withdrawal of U.S. forces from the region. "Continued U.S. engagement in the region is an imperative," a Foreign Ministry official said.
Moreover, Mr. Miyazawa will assure the leaders that if Japan expands its role, it will do so only as part of UN initiatives. Legislation passed last year allowed Japanese forces to join UN peacekeeping operations, so long as they do not take part in combat and serve under UN command. The dispatch of 600 army engineers to Cambodia in September marked the first overseas deployment of soldiers since World War II.
Nonetheless, should a regional power vacuum arise and create need for new security arrangements, Mr. Miyazawa is expected to tell the leaders that Japan would prefer to continue working through the Association of South East Asian Nations' post-ministerial conference, a forum that may eventually include China and Russia. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.
His trip will culminate on Saturday in Bangkok, where he is expected to outline his strategic views in a policy speech being touted as the "Miyazawa Doctrine." It will also underscore a commitment to work with ASEAN in the reconstruction of Indochina. One idea: a highway linking Thailand and Vietnam.
At most, the "Miyazawa Doctrine" will mark a modest advance from the "Fukuda Doctrine," considered Japan's most important Asian policy statement since World War II. Enunciated by Prime Minister Takeo Fukuda in Manila in 1977, it espoused a political role for Japan in the region and foreswore any desire to become a military power.

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Page 15
FOR MORE
CLASSIFIEDS

ENGLISH: The Travelers' Aid

(Continued from page 1)

the victim of a crime while in the United States. But the image of America as a place where unsuspecting, cash-laden Japanese are tempting targets was reinforced like never before after the October slaying of a 16-year-old Japanese foreign-exchange student in Louisiana. The student was killed when he did not understand the meaning of the word "freeze!" shouted by a man wielding a gun.

The account of Yoshihiro Hattori's killing, after he approached the wrong house in search of a Halloween party, has fed a long-held image here of America and become the source of at least two new movements, one to ban guns in the United States and the other to arm Japanese with survival language for their ventures abroad.

The youth's parents, Masaichi and Miko Hattori, recently presented the U.S. ambassador to Japan, Michael H. Armacost, with some of the million signatures they have collected in a petition calling for the removal of guns from U.S. homes.

For weeks, Japanese newspapers and magazines have been filled with features about how Americans keep guns at home, something that is illegal in Japan. The few people who own guns in Japan — where the homicide rate is one-eighth that of the United States — are required by law to keep them stored at a police station.

But another result of what has come to be known as the "freeze case" is a rash of crash courses in "defensive English."

"People are really desperate," said Miko Hikosaka, a Tokyo teacher who with two friends organized street-language seminars that attracted more than 700 people. Mrs. Hikosaka, who lived in New York for several years, covered what she terms calls useful expressions — like "Get him!" "Stop him!" and "Police!"

"I realized that I needed to do this when another high school teacher told me that he did not know 'freeze' had another meaning other than what you do with food," she said.

Although all Japanese students get six years of English instruction, almost all of it is a grammar-laden preparation for university entrance exams. Students say they are so fearful of making a mistake in class that they dare not speak at all, and quickly focus on passing the test rather than communicating.

"Japanese people have such a fear of English that they cringe even if asked simple directions by a foreigner on the street," said Hideoyuki Sumi, the co-producer of the "Useful English" program. The problems are compounded, he said, by the way the Japanese language twists and then assimilates English words. Mansion, for instance, is the term Japanese use to describe a small apartment. Trying to rent a mansion in America, it turns out, is a surprisingly expensive proposition.

"People get lulled into thinking that they can actually communicate when in fact they are making fools of themselves," Mr. Sumi said.

But sooner or later, the topic always returns to self-protection. More than ever before, seminars on how to avoid getting conned, mugged or worse on U.S. shores are a big draw. The government has turned out safety films to warn of the hazards that Japanese face abroad, and companies now show their employees videos on subjects like how to tell a safe neighborhood in Los Angeles from a gang-ridden one.

"It turns out it's pretty easy," a Mitsubishi executive said recently, mocking the narrete of some of the warnings. "The good blocks have a lot of big empty buildings that we Japanese paid too much for. On the bad blocks everything's burning."



Churchgoers battling high winds and driving rain Sunday in Quendale Bay, near the site of the Shetland Islands oil spill.

TANKER: Avoiding the Worst

(Continued from page 1)

keeping their fingers crossed again as winds gusting to 115 miles per hour (185 kph) were forecast.

Although there were signs the ship's stern engine section was breaking off, the main part of the superstructure, which includes the vessel's unruffled oil storage tanks, has remained nuzzled firmly against the rocks and sandy bottom, hull-deep in the water and close to shore.

David Bedborough, who is overseeing clean-up operations for Britain's Marine Pollution Control Unit, said that there was no evidence that new oil was leaking from the vessel, and that if the hull could withstand the coming storm he hoped salvage personnel would be able by Wednesday to begin pumping the rest of the cargo from the broken ship.

The damage from the oil already spilled into the sea has been mitigated because the type of crude oil aboard the 89,700-ton tanker is of a lighter variety, which tends to disperse more quickly in rough seas. Timing also played a factor. Paul Horsman, an oil-spill expert, said that if the ship had run aground at almost any other time of the year the numbers of breeding wildlife at risk, both birds and seals, would have been far larger.

"The day the tanker ran aground I remember thinking, My God, this will be a catastrophe," he said. "But now I think, Phew, the tanker has not broken up. There is still a lot of damage, and still could be more, but so far it's not the worst case."

It is difficult to measure with any precision the relative severity of this accident. But Stan Stephens, an observer from Alaska, said the situation paled when compared with the Exxon Valdez spill of 1989.

"Unless the ship loses the rest of its oil, I don't think it can compare," Mr. Stephens said. "In Alaska, the oil was a lot heavier, and the terrain was more vulnerable, because you had low, sheltered islands rather than these steep bluffs and heavy seas."

But one of the more unusual, and troubling, consequences of this spill has been the volume of wind-blown oil that has carried inland, riding winds that are typical this time of year in the Shetlands, so remote and seaboard that the ancient Romans thought it was Thule, the mythical island at the edge of the world.

Close to shore, the oil has stained the fleece of wintering sheep and glazed roads with a treacherous slick.

Among the crofters and their families, who raise crops and run sheep over the island's rolling, stony pastures, there have grown numbers of complaints about sore throats, eye irritation, headaches and asthma. Public health officials said they would set up a telephone hotline to reassure anxious residents, although they insist the actual risk to health as a result of the windborne oil, as well as any of the chemical dispersants being sprayed to break up offshore slicks, was low, if not nonexistent.

But they were offering respiratory masks to those who work outdoors, and said they would begin providing blood, urine and respiratory tests to about 600 people who live within a two-mile radius of the grounded ship, in an attempt to monitor the possible hazard.

Part of the reaction, said Magnus Flaws, a local council member, reflected a growing resentment among people who felt too much attention was being paid to the consequences of the oil accident on wildlife and not enough on the costs to the human population.

In addition to health worries, the island's fishing economy has been imperiled, since about 400 square miles (1,035 square kilometers) of fishing grounds near the slick have been closed. One of every five people on the island is employed in fishing, fish processing or fish farming.

But at Sunday services at the tiny, 18th-century stone church here, the Reverend Trevor C. Williams prayed not only for those endangered by the accident, but asked for help in preserving "those creatures who have no voice of their own."

To that end, conservationists and government officials late Sunday added a more temporal appeal: They asked the army of journalists who have descended on the island — some borne by a helicopter rented by Independent Television News of London — to stay clear of bird and seal colonies, warning that the animals were suffering enough without being pursued by camera crews looking for close-ups of oil-slicked wildlife.

CLASH: Street Fighting Among Clan Factions Escalates Sharply in Somali Capital

(Continued from page 1)

The shooting began around midnight Saturday and continued throughout Sunday, and the emergency rooms of nearby hospitals were packed with the wounded, mostly women and children with gunshot wounds who sat bleeding on tile floors and on wheeled carts waiting for help.

By nightfall Sunday, Digfer Hospital had registered six people dead and 74 wounded by bullets, with as many as 30 other gunshot victims who were treated but not officially listed, hospital workers said.

"It's been the heaviest day of casualties since the intervention," said a nursing trainer at Digfer.

Nearby Banadir Hospital reported 13 gunshot injuries, including a young woman shot in the leg by gunmen whom she appeared to members of the Murusade clan faction hunting down and shooting civilian members of the rival Habir Gidir subclan. "It was the Murusade," she said, "because they hate us."

Many of Habir Gidir members said Sunday that Murusade gunmen were indiscriminately shooting civilians in an attempt to drive the Habir Gidir out of the Wardige area. Although these accounts of witnesses could not be confirmed,

the high number of civilian gunshot victims seemed to suggest that not all the casualties were caused by random crossfire. Victims, including children, continued arriving at hospitals late into the afternoon as the fighting raged.

The Habir Gidir living in Wardige defended their homes with their own guns, the witnesses said.

The official hospital figures were believed to represent only a percentage of the total number of casualties, since the dead may not be taken to hospitals, and other victims, including gunmen, may have been taken elsewhere in the city for treatment.

The dramatic flare-up of violence, although not directly involving U.S. forces, seems to pose a dilemma for U.S. military officials and policymakers. Fierce street fighting, with scores of mostly civilian casualties, seems to directly challenge American officials' stated policy of trying to "stabilize" the war-torn capital and stem the lawlessness. But intervening to stop the violence risks drawing U.S. forces into the center of what is essentially a clan feud, and could force the Americans to end up taking sides.

One American official said troops might be reluctant to become involved in Somalia's factional fighting because of the painful lessons learned from the intervention in Beirut in the early 1980s. There, U.S. forces supposedly on a peacekeeping mission ended up in a de facto alliance with Lebanon's Christians, while engaging in retaliatory shelling attacks against Lebanese Muslim and Syrian positions. As a result, the United States lost its position as a perceived impartial arbiter and became instead a target for terrorists.

Colonel Fred Peck, a Marine spokesman for the U.S. intervention forces in Somalia, expressed the U.S. military's reluctance to get involved in Sunday's violence. "We're not taking any steps to intervene," Colonel Peck said. But some of the Somalis who were the victims of the fighting were asking if the Americans did not intervene now to help, then why were they here at all?

"If they're not here to intervene between the warring factions, then what the hell are they doing here?" said Abdi Saeed Adan, a market vendor, after a stray bullet shattered a bone in his leg Sunday afternoon. He was lying on his back in a bed in an unlighted ward at Digfer Hospital, his leg in a cast from ankle to hip.

"Either they should disarm everyone and improve security, or they should leave," he said. "From our experience, things have gotten worse since the intervention."

"For me, it was better before, because I had a gun and I could defend myself," he added. "Unless the Americans disarm, or protect everyone, then they might become a target. People like me are angry enough to take up arms against them."

His sister stood next to his bedside, nodding agreement. "If the Americans have come just to be tourists and watch the violence," she said, "then they should pack their guns and go."

The current fighting is between the Habir Gidir clan faction of Mohammed Farrah Aidid, Somalia's preeminent warlord, and a smaller rival faction, the Murusade, that is apparently trying to take advantage of General Aideed's weakened position to recover some of its traditional territory in the city.

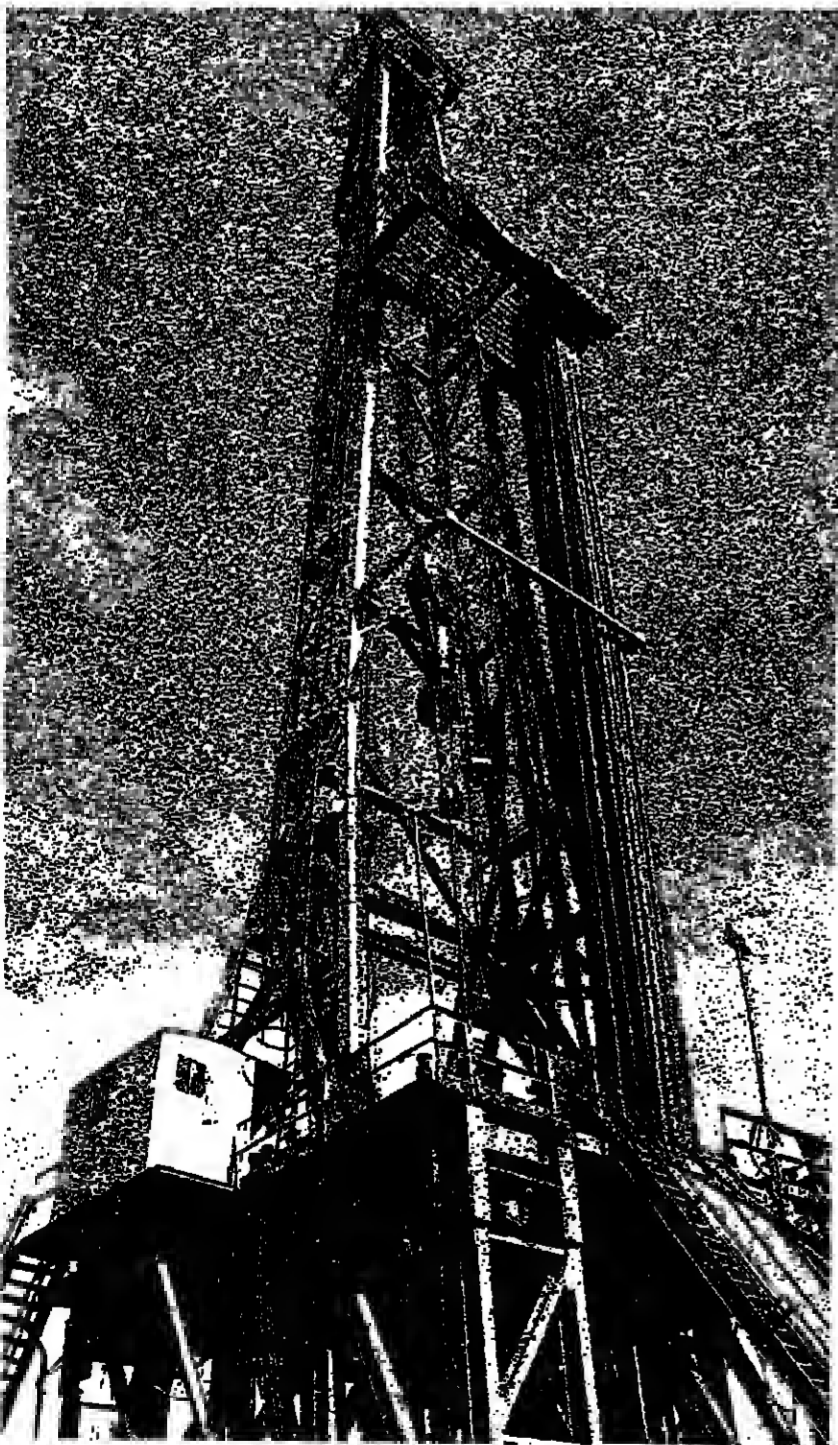
Since U.S. troops entered the capital on Dec. 9, General Aideed has been forced to keep a his once formidable military arsenal either confined to designated "cantonments," or well outside Mogadishu.

6 Train Robbers Executed

The Associated Press

BEIJING — In a clear warning against crime on China's railroads during the Lunar New Year travel season, six people have been executed for a spree of train robberies that began in 1988.

GOVERNMENT OF INDIA
NOTICE INVITING OFFERS FOR EXPLORATION
FOR OIL & NATURAL GAS
FIFTH ROUND OF BIDDING (1993)



The Government of India invites companies to bid for acreage for exploration for oil and natural gas. 45 blocks — 29 offshore, 15 onshore and 1 onshore block extending into offshore — are available for exploration by companies, which can bid for one or more blocks, singly or in association with other companies.

- CONTRACT FEATURES**
- Contracts to be signed with successful bidding companies would be modelled on the pattern of the production-sharing contracts to be signed under the Fourth Round and would include the following attractive features:
 - Provision for seismic option
 - No signature or production bonus
 - No royalty payment
 - No customs duty
 - No ring fencing of blocks for corporate tax purposes
 - Progressive fiscal regime
 - Suitable provisions for production and pricing of gas
 - Purchase of company's share of oil at international market price
 - Provision for assignment

- BID ITEMS**
- Profit oil and profit gas shares expected by companies at various levels of post-tax rate of return or multiples of investment recovered
 - Percentage of annual production expected to be allocated towards cost recovery
 - Total length of exploration period, number of phases in exploration period and minimum work commitment in each of the phases

AVAILABILITY OF DATA

An information docket on each basin has been prepared. It will contain information on regional and local geology and the current status of exploratory activities in the blocks in each basin. Data packages containing seismic sections, gravity and magnetic anomaly maps, wireline logs, structure contour maps etc. are available for most of the blocks.

Companies may purchase either the information dockets or the data packages or both. There is no limit on the number of basins or blocks for which data may be purchased.

Companies interested in purchase of information dockets and data packages and in obtaining further information may contact:

Mr. R.N. Desai,
Head, EXCOM Group,
Oil and Natural Gas Commission,
7th Floor, Bank of Baroda Building,
Parliament Street, New Delhi-110001, INDIA.
Telephone: 3715291, 3317205 Telex: 031-65194, 031-66262
Facsimile: 3316413

Bids should be submitted in sealed envelopes superscribed "Confidential" "Fifth Round of Bidding (1993)" not later than 3.00 P.M. on 30th June, 1993 to:

Mr. Naresh Dayal, Joint Secretary (Exploration), Government of India, Ministry of Petroleum & Natural Gas, 2nd Floor, Shastri Bhavan, Dr. Rajendra Prasad Marg, New Delhi-110001, INDIA.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Serbia Must Be Stopped

The Bosnian Serb Army's calculated assassination of a deputy prime minister of the Bosnian government, even while he was under the direct protection of UN peacekeeping forces, is outrageous. Yet the event does not so much alter as illuminate the underlying realities of the Bosnian tragedy and of the efforts to deal with it by diplomatic means. Already there was much that was hard to swallow in the Bosnia settlement proposed at Geneva by Cyrus Vance for the United Nations and David Owen for the European Community. The latest incident near the Sarajevo airport confirms, in the most brutal way, how inadequate that plan is.

Toward Reform in Japan?

After 36 years of one-party dominance, Japan appears headed toward competitive politics. The leading faction of the governing Liberal Democratic Party has shattered, pointing the way to a realignment that could eventually bring an American-style two-party system. For a time, political infighting could make it harder for Tokyo to deliver on diplomatic deals. In the longer run, democratic competition would be good for Japan, and the United States.

A Light on Dark Matter

In eras long past, it was said that something invisible called "ether" filled up space, and while this seems implausible in retrospect, plausibility is no longer much of a criterion for evaluating the discoveries of modern astronomy. So one should be too surprised about the abundant chunks and blobs of "dark matter" that have now been discovered to be cluttering up the interstellar vacuum that replaced the discredited "ether" as an intellectual construct. Cosmology connoisseurs have gotten used to absorbing these brain-benders via the news media whenever astronomers meet in large numbers. Last week's convention of the American Astronomical Society was no exception.

Cough, Cough, Cough

Evidence that smoking can harm nonsmokers has been accumulating for the last decade. In 1986, two of America's most prestigious health authorities — the National Academy of Sciences and the Surgeon General — concluded that fumes generated by smokers can cause lung cancer in adult nonsmokers and respiratory problems in the children of smokers.

The Rescue of Bosnia Can No Longer Wait

By Leslie H. Gelb

NEW YORK — Two men whose views must be respected stand in the way of lessening the bloodshed in Bosnia: Cyrus Vance, the heroic United Nations diplomat who negotiates tirelessly for a peace settlement, and General Colin Powell, the brilliant warrior who argues relentlessly against U.S. and allied military intervention.

Can the West intervene militarily in ways that will not lead to endless and inconclusive escalation?

possible for generations, perhaps longer. Hatreds surpass all reason. What is possible is to create a balance of power, and perhaps a ceasefire, to contain the war's worst horrors. Even that will be unattainable unless outside forces and aid are brought in to redress Serbian dominance.

OPINION

Who Needs Dark Matter Anyway?

By Charles Krauthammer

WASHINGTON — The news from physics is not good. It seems that an X-ray satellite has detected evidence of enormous amounts of "dark matter" in the far reaches of space, perhaps enough to stop the expansion of the universe and cause its eventual extinction in the Big Crunch, a spectacular reversal of our birth in the Big Bang.

For Clinton, a Larger Question Looms in Somalia

By Stephen S. Rosenfeld

WASHINGTON — In Somalia, Bill Clinton faces a choice that may define his whole foreign policy. Should he stick with the original George Bush concept, which he has endorsed, and re-establish supply lines and broad security and then promptly replace American forces with UN peacekeepers and political fixers? Or should he yield to a temptation already visible on the ground in Somalia, and let the United States be drawn into managing the country's longer-term political and political revival as well?

More is involved here than an American judgment on the strategic benefits and political commitments of being in charge. The realities of the American scene make it difficult for any commander in chief to put American troops in harm's way if he does not accept direct military and political responsibility for them. This consideration is often skipped over in appeals for the United States to put forces under UN command.

Senator Joseph Biden of Delaware, a Democrat. More is involved here than an American judgment on the strategic benefits and political commitments of being in charge. The realities of the American scene make it difficult for any commander in chief to put American troops in harm's way if he does not accept direct military and political responsibility for them.

Southeast Asia and Japan Can Be Security Partners

By J. N. Mak

KUALA LUMPUR — The specter of Japanese militarism is deeply rooted in Asian emotions. It may well surface again to haunt Prime Minister Kiichi Miyazawa. On Monday, the Japanese prime minister starts an eight-day tour of Indonesia, Malaysia, Thailand and Brunei. But fear of Japanese rearmament for aggressive purposes fails to take account of present geopolitical realities.

Japan is a constrained power. In the 1930s, Asia was largely divided into colonies by Western imperial countries. Much of what remained nominally independent consisted of corrupt, ineffective regimes. As the only modern industrial power in Asia, Japan was able to indulge in military adventurism with a marked degree of success. Even then, however, its campaign of conquest led eventually to shattering defeat.

pan, threatening its vital trade lifelines and access to resources. The collapse of the Soviet Union and the end of the Soviet military threat in the Asia-Pacific region put Japan at a strategic disadvantage. The country is no longer seen in Washington as a vital bulwark against Soviet expansionism in the Far East.

A Money Game Takes Over Hong Kong

By Criton M. Zoakos

MORRISTOWN, New Jersey — Conventional wisdom holds that the spat between Britain and China was triggered by Governor Chris Patten's effort to expand democratization before Hong Kong reverts to China in 1997. This misperception ignores China's brisk march to capitalism and the role of the colony's Chinese entrepreneurs in it.

individually owned enterprises in China grew from zero to 14 million. Private enterprises with multiple owners rose to six million, foreign companies to nearly 60,000. Sixty percent of all foreign investments in China have been made by Hong Kong's Chinese entrepreneurs, who in the 1970s supplanted British tycoons as the colony's leading economic power.

tancy contracts for Hong Kong's projected \$22 billion airport and container port, 35 have been awarded to British companies. The American Chamber of Commerce says U.S. engineering companies have been excluded from airport construction contracts despite superior expertise.

Hong Kong is prospering largely because it is the catalyst of the mainland's economic transformation.

the electoral base for the 1995 Legislative Council elections, the dispute is significantly fueled by competition between Britain's waning commercial interests and China's surging entrepreneurial capitalism.

It also stems from Beijing's contention that Mr. Patten's action violates the terms of the agreement under which the colony will be turned back to China in 1997 and thus affronts China's sovereignty.

Beijing then announced that after 1997 it would not honor Hong Kong contracts about which it was not consulted, thereby creating turmoil. Britain has confused the issue by claiming that China took this step because it disagreed with the democratization proposals. China insists, perhaps disingenuously, that it has no intention of linking economic issues with the colony's political evolution.

Keep the Debate Out in the Open

THIS WEEK SEES the start of the long and winding road Governor Chris Patten's package of reforms will have to take through Hong Kong's labyrinthine legislative process. The first hurdle comes on Tuesday, when draft bills will be handed to Executive Council members for their comments.

Many of Hong Kong's principal capitalists oppose Mr. Patten's initiatives and have urged him to modify his course. Hong Kong businessmen and bureaucrats in China prefer prosperity to political instability, which could lead for business. In short, explaining the sparring as a rear-guard clash between liberal democracy and communism is incomplete and misleading. Questions of Beijing's sovereignty and pride aside, this is basically a scrap over money.

1893: 'The Right to Live'

LONDON — The interesting decision was made yesterday (Jan. 10) that "a deputation of twelve of the hungriest looking and worst clothed of the unemployed should wait on Mr. Gladstone to weigh their grievances, and demand an introduction of a bill for their relief." It was stated in the proceedings that on the first day of the session the unemployed would march to the Houses of Parliament in their thousands, and send a deputation into the House of Commons to "demand the right to live."

1943: New Guinea Battle

ALLIED HEADQUARTERS IN AUSTRALIA [From our New York edition.] Allied heavy and medium bombers continued yesterday (Jan. 10) to pound a Japanese convoy fleeing from Lae, New Guinea, scene of the enemy's costly attempt to land reinforcements, and direct hits were scored on two ships of the convoy from which two troop transports already had been sunk. General Douglas MacArthur reported in a communique today, shadowing the convoy through Saturday night, Liberator, Catalina and Flying Fortress fighters fought off weak enemy air interception attempts and scored hits on two unidentified ships.

1918: Open-and-Bark Case

SAN SEBASTIAN — Following the disappearance of Senora Antonia Bologni from her home, the police set free two dogs belonging to the missing woman. The dogs trailed their mistress to a wood and the police, after making an excavation, found the body of Senora Antonia Bologni. There were several signs of violence.

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سویا من الاصل

CAPITAL MARKETS

Big Redemptions Promise A Year of Many Returns

By Carl Gewirtz
International Herald Tribune
PARIS — The opening week's activity in the international capital market set the pace for what surely will be a hectic, and most likely a record, volume of business this year.

Data supplied by the Bank for International Settlements shows scheduled first-quarter redemptions total the equivalent of \$71.6 billion. This is 50 percent higher than last year's first quarter.

With redemptions in U.S. dollars seen at \$28.9 billion, the opening week's volume of \$1.85 billion in fixed-rate bonds, \$1.4 billion in floating-rate notes and \$452 million in equity-related issues appeared reasonable and was \$800 million below the amount raised in the first week of 1992.

The major concern was the high amount of collared floating-rate notes. These guarantee a minimum coupon, mostly around 5 percent. That is higher than investors can earn in the deposit market, where the six-month rate is 3.50 percent.

Kidder, Peabody & Co. and Merrill Lynch & Co., among the most active arrangers of such issues, insist demand remains strong, particularly from Switzerland, where investors want to hold dollars for expected currency gains but are wary about buying fixed-rate paper.

Ontario is seen following the World Bank with a jumbo dollar issue.

This BIS data covers the total universe of foreign bonds, including private placements in Swiss francs as well as foreign bonds sold in domestic markets, which are not considered Eurobonds.

Punt Written Off, Franc Questioned

By Carl Gewirtz
International Herald Tribune

PARIS — With Ireland's overnight interest rates at an economically unsustainable 100 percent and the punt still pinned in its floor level in the European currency grid, foreign exchange analysts say it can only be a matter of days until the currency is devalued.

In Dublin, Prime Minister Albert Reynolds agreed to form a new coalition government with the opposition Labor Party on Sunday and immediately pledged to "take all necessary steps" to avoid a devaluation, Reuters reported.

Attention then will refocus on the French franc, which last week won a reprieve when the Bundesbank reduced its money market rate to 8.6 from 8.75 percent. The cut was minuscule in size but psychologically significant, signaling German willingness to use not only intervention but also monetary policy to defend the franc.

Such a move can only add to the doubts about whether France can afford the high interest rates needed to preserve the franc's parity against the mark.

[Prime Minister Pierre Berégovoy said in an interview Sunday that he would maintain the franc's value, Reuters reported. "As long as I am prime minister, the franc will not be devalued," he said in an interview with the newspaper Le Journal de Dimanche.]

Balladur Pledges Free Central Bank

Reuters

PARIS — Edouard Balladur, the French opposition politician considered a leading candidate to become prime minister after a general election in March, said Sunday he would make France's central bank independent by July.

He also vowed to maintain a strong franc and do everything in his power to avoid a devaluation. "I see no reason to devalue the franc," he said. "It would be regrettable for our national interest."

With inflation at around 2 percent and short-term rates at 12 percent, Jonathan Hoffman at Credit Suisse First Boston in London warned that "real interest rates over 10 percent are not sustainable for very long, neither for the manufacturing sector, where profits have been savaged, nor the financial sector, hit by bad debts on property-related lending."

Iran Pessimistic On OPEC's Will To Support Oil

Reuters

DUBAI — Iran does not expect any move by the Organization of Petroleum Exporting Countries in halt the decline in world oil prices before the group's next meeting on Feb. 13, despite Tehran's proposal for a cut in its own output, oil sources close to Iran said Sunday.

The sources said Tehran had not received any official reaction to its proposal for a 2 percent cut in OPEC output to shore up oil prices, which have declined more than 16 percent in the past three months and have failed even to react to renewed Gulf tensions.

Oil Minister Gholamreza Aqazadeh said Saturday that Iran had notified OPEC's secretary-general, Subroto, of its readiness to cut production by 2 percent.

He put Iran's December output at an average of 3.6 million barrels a day, compared with an official output figure of 3.8 million barrels a day in October.

The survey, conducted during December, showed that nearly four companies out of every 10 expected increased profit in the first quarter of 1993, compared with just two out of 10 in the last quarterly report.

U.K. Firms Upbeat on Recovery

Reuters

LONDON — British businessmen are becoming confident that the economy is set to recover, a survey by Dun & Bradstreet Ltd. said Sunday.

The survey of nearly 2,000 companies showed a sharp jump in optimism with companies in London, the southeast and the north of England particularly upbeat.

The report will add some weight to recent hopes that Britain's economy is on the rebound after the longest downturn to hit the country since the Depression of the 1930s.

Icahn \$100 Million Poorer After TWA

Compiled by Our Staff From Dispatches

NEW YORK — Carl C. Icahn lost more than \$100 million on his investment in Trans World Airlines Inc. after putting in about \$400 million, according to week-end estimates from people close to the situation.

Last week, Mr. Icahn said his loss could be in the range of \$100 million. "It was a mistake that I bought it," he said. "It was an even bigger mistake that I didn't sell it."

He said the giants of the business suffer from overcapacity and a high cost structure. Even if the U.S. economy improves, the bigger carriers will still have problems but TWA will survive if it can keep its costs down, he added.

Robin Wilson, part of the new two-person management committee, said the airline would emphasize quality of service and intended to be more competitive.

That's what Mr. Icahn said he was relieved to have relinquished control of the airline, which he won in a fierce battle in January 1986 with Frank Lorenzo, then head of Texas Air.

Not that Mr. Icahn is hurting financially. His various investments in the last five years have brought him close to \$1 billion, (NYT, Reuters, Bloomberg)

THE TRIB INDEX
International Herald Tribune World Stock Index, composed of 230 Internationally Investable Stocks from 20 countries, compiled by Bloomberg Business News.
Week ending January 8, daily closings, Jan. 1992 = 100.
World Index, Asia/Pacific, Europe, North America, Industrial Sectors/Weekend close.

Barcelona Notebook
Shell's Memory May Haunt Spain
Royal Dutch/Shell is about to complicate the government's effort to dismantle Spain's oil monopoly.
The Anglo-Dutch giant has decided to seek compensation for Spanish assets expropriated in 1929. According to a company spokesman, Shell is entitled to get its assets back once the reason for the expropriation has been invalidated: "If the government takes part of your garden to build a railway, and the railway then closes, then you get your garden back. That's Spanish law."

STARTING 15 YOU CAN BEAT THE TREND
1993
15 FRIDAY
Interest rates are fluctuating. Is the Bundesbank about to make a move? Even the professionals are having a hard time predicting which way the trend will go.
In the first quarter of 1993, you will already be able to make use of a new DTB risk-management instrument. Profit from the flexibility of an option, combined with the opportunities of a highly liquid futures market: On January 15, 1993, trading begins in the DTB option on Bobl futures.

CURRENCY RATES
Cross Rates
Jan. 8
Amsterdam, London, New York, Toronto and Zurich. Exchange in other centers.
Other Dollar Values
Forward Rates

A Success Worthy of a Toast
Although 1992 lived up to its billing as Spain's year, the advent of 1993 has not brought good tidings. Fully 50 percent of Spanish industry is now foreign owned, the unemployment rate is approaching 20 percent, political corruption is proliferating and the Kuwait Investment Office affair has outraged the country.

Election-veering Rules in Madrid
The Spanish government has promised the world a series of structural reforms to set its economy right. Proposed measures to liberalize its infamously inflexible labor market include an overhaul of the administrative red-tape that makes layoffs in Spain among the costliest in the world. But will the government adopt them?

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. Jan. 8

Canadian Dollars

Table listing Canadian bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

ECU Straights

Table listing ECU straight bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

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NEW YORK (AP)

Table listing New York bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

MUTUAL FUNDS

Table listing mutual fund prices with columns for Fund Name, Bid, Ask, and other details.

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New International Bond Issues

Compiled by Laurence Desvignes

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Lists various international bond issues from Austria, Boyerische Vereinsbank, Credit Local de France, etc.

Bond Traders Fail to Heed Warnings of History

By Robert D. Hershey Jr. New York Times Service

WASHINGTON — On Wall Street, the professionals who buy and sell bonds for a living are known as skeptics who reputedly can see inflation threats visible to...

U.S. CREDIT MARKETS

no one else. Their hypersensitive reactions to shifting federal budget prospects are now studied by politicians as well as investors. But the skeptics, at least until the past few days, seem to have become complacent. How else do you explain a yield of less than 7.50 percent on 30-year Treasury bonds...

showing American growth picking up have tended to push interest rates down, not up, in the belief that Mr. Clinton will need a less ambitious stimulus package.

"We will succeed at deficit reduction," only to watch the deficit more than double, to \$327.3 billion for the current year.

camp to start backing away from campaign pledges to have the deficit over four years.

point, cutting their yield to 4.48 percent from 4.55 percent.

The Week Ahead: World Economic Calendar, Jan. 11-15

Table listing economic events for Jan 11-15 across various countries including Europe, Asia, and The Americas. Includes dates, times, and descriptions of events like interest rate decisions and trade balance reports.

Euromarkets At a Glance

Table showing Eurobond yields for various maturities (1-30 years) and currencies (USD, DEM, GBP, etc.) as of Dec 31.

Weekly Sales

Table showing weekly sales for various markets including Europe, Asia, and The Americas, with columns for market, sales, and percentage change.

Libor Rates

Table showing Libor rates for various currencies and maturities (1-month, 3-month, 6-month, 12-month) as of Jan 8.

Last Week's Markets

Table showing market performance for various indices (Dow Jones, Nikkei, etc.) and money rates (discount rate, prime rate, etc.) for the week ending Jan 8.

BusinessWeek advertisement featuring the text 'This week's topics: Ford Of Europe Struggles For A Turnaround, IBM: What It's Really Worth, How Clinton Will Deal With Japan, The Power Of Mutual Funds, Innovation's New Face' and 'Now available at your newsstand!'.

EUROBONDS: Foreigners Snap Up Franc Bonds

(Continued from first finance page) investments for customers. That would remove a large chunk of the issue from public trading, create a scarcity and drive up the price. Another jumbo global is expected to hit the market this week. The Province of Ontario is expected to raise at least \$1.5 billion via an issue of 10-year bonds. Japan's Export-Import Bank is said to be working on a seven-year issue of \$400 million.

year later — giving them 100 percent exposure to any rally in French bond prices with only a 40 percent down payment. That advantage enabled Credit Local to sell its paper at an unusually low yield of about 25 basis points below government paper. It then swapped the entire exposure into a floating-rate liability at 10 basis points below the interbank rate.

Using more traditional structures, Credit Foncier launched 3 billion francs of 10-year bonds carrying a coupon of 8.375 percent and Credit National sold 1.5 billion francs of three-year notes carrying a coupon of 8.25 percent.

American on Trial in Guinness Case

LONDON — An American lawyer who advised the chief executive of Guinness PLC during its takeover bid for the Scotch whisky maker Distillers Co. goes on trial Monday in the latest chapter of the British scandal.

For the past few years working with a Washington law firm, he denied charges that he stole \$5.2 million from Guinness and said this was a success fee, media reports said.

The trial will be the fourth in the Guinness series brought by Britain's Serious Fraud Office. The first trial in 1990 which lasted 113 days brought guilty verdicts against the former Guinness chief executive, Ernest Saunders; Anthony Parnes, a stockbroker; and two business executives, Gerald Ronson and Jack Lyons.

Advertisement with the headline 'How do you call a foreign country when you're already in one? Pick a card, any card.' featuring a hand holding several international calling cards.

Sprint Express advertisement with the headline 'Sprint Express makes it easy to call a foreign country when you're already in one. And you don't have to be a Sprint customer.' Includes a list of countries and access numbers.

Handwritten signature 'JAVICO 1993' in a box.

WORLD STOCKS IN REVIEW

Amsterdam

A quarter-point cut in interest rates helped the market start the year in a very optimistic mood with interest focused mainly on financial and food stocks.

The CBS all-share index closed at 200.1 points, up from 198 at the end of the previous week. Volume was an active 16.9 billion guilders, with 3.6 billion in equities.

The Bundesbank's decision to shave short-term money market rates was taken as a signal by the Dutch central bank for a cut of 0.25 point in short-term rates and encouraged hopes more reductions would follow.

Frankfurt

Stocks edged higher, but traders were nervous about the weak German economy and the relatively high level of interest rates. The DAX spot trend index gained 0.91 percent, rising to 1,531.52.

Operators said tensions within the European Monetary System, especially pressure on the French franc, fed hopes of a reduction of German interest rates. The Bundesbank kept its Lombard and discount rates unchanged but did cut a key money-market rate.

Westdeutsche Landesbank Girozentrale said the bourse already has digested unfavor-

Hong Kong

Prices inched higher, lifted by bargain hunting after recent losses but still prone to political jitters. The Hang Seng Index gained 17.17 points, to 5,529.56.

Prices dived on the first trading day of 1993 amid another surge of concern about the Sino-British row over Hong Kong's political future. The market recovered Tuesday and Wednesday but gains were cut at the end of the week as China renewed its threat to set up a separate government in 1997.

London

Despite reaching successive highs on Monday and Tuesday, profit-taking and fears about impending new issues sent the Financial Times-Stock Exchange 100-share index falling 47.3 points, or 1.6 percent, to 2,799.2 last week.

Late in the week, prices suffered from fears the recent rally had been overdone and that several companies might be tempted to take advantage by calling for cash injections in the form of new shares.

British Aerospace gained 25 pence on the week to 190, helped by news of talks with

Boeing on a superjumbo plane and general recovery hopes.

Milan

Prices rose on the prospect of government measures to stimulate the economy, sending the MIB index up 1 percent, to 1,010.

Activity remained low but volume edged higher to a daily average of 63 million shares, against 60 million the previous week.

The market is looking forward to government measures to stimulate investment in stocks as well as an economic recovery, brokers said.

Paris

Investors, unsatisfied with the modest Bundesbank interest-rate move, pushed the CAC-40 index down 0.3 percent last week, to 1,857.78 points.

The market also was depressed by the resumption of speculation against the franc. If a bold German rate cut does not come soon, France's strong economic fundamentals, which have allowed the franc to resist the attacks, could be endangered, analysts said.

Singapore

Strength in the Singapore and U.S. economies gave the Straits Times industrial index an

impressive gain of 31.76 points last week, pushing it to 1,556.16, while the SES all-Singapore index firmed 6.98 points, to 401.61.

Although major players and foreign fund managers stayed on the sidelines much of the week, smaller players gave good buying support with selective blue chips finding favor.

Tokyo

The market saluted the engagement of the Crown Prince with a brief rise Thursday but fell for the week as investors failed to find positive factors to stimulate stagnant equities.

The Nikkei Stock Average of 225 selected issues fell 290.26 yen, to 16,634.69, while the broader Tokyo Stock Price Index fell 18.14 points, to 1,289.52.

Index-linked selling contributed to the declines, traders said, adding that investors were waiting for new elements to stimulate the market.

Zurich

The Swiss Performance Index eased 6.7 points, to 1,231.05, depressed by the failure of the Bundesbank to reduce interest rates forcefully.

Bid Sayonara to Lifetime Jobs

Pioneer Dumps Managers as Times Get Tough in Japan

By Andrew Pollack

New York Times Service

TOKYO—The unthinkable has happened in Japan, and it has touched a nerve in the ranks of the nation's middle managers.

A well-known maker of audio and video equipment, Pioneer Electronic Corp., conceded last week that it was essentially firing 35 middle managers—a candid admission that Japanese companies have begun to violate their long-cherished policies of lifetime employment.

Such a move would barely attract notice in the United States, where thousands of employees are sometimes given pink slips in a day. But in Japan, the commitment to keeping people employed through good times and bad is a pillar of a management system that keeps Japanese workers highly dedicated to their companies.

And the move, in the midst of a severe economic slump, portends significant changes in the Japanese corporate culture.

"My first reaction, honestly, was, 'My God, it has come to this,'" an automobile executive said. He quickly added, "If the current slump continues for another year or two, a lot of companies will be doing the same thing."

Pioneer, a Tokyo-based maker of car stereos, laser-disk players and other electronic gear, did not actually fire the employees outright, a spokesman said. Rather, it told the managers in late December that they would have until the end of January to retire.

If the managers, all in their 50s, did retire, they would receive a hefty bonus. If they did not, they would eventually be dismissed.

Takeo Naruse, deputy general manager of the Japan Federation of Employers' Associations, a lobbying group, called the Pioneer move "shock therapy." He said most companies would not resort to such drastic actions, which could hurt company morale. Still, he said, "Gradually, Japanese employment practices are changing."

To be sure, lifetime employment has never been universal. Small and medium companies, which often supply components to large companies, frequently lay off workers and act as a buffer to help the big companies maintain full employment. Even at large corporations, the job guarantee does not apply to legions of part-time or temporary workers.

But at Pioneer, the managers affected are full-time employees.

Some observers said Pioneer's approach was a slightly stricter version of what was happening quietly in many businesses, with managers being asked to retire for the good of the companies.

Another aspect of management that is changing is the seniority system, in which promotions and salaries tend to rise with length of service. That has weighed down companies with many middle-aged managers with high salaries but little opportunity to advance.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 8.

Table with columns: Symbol, Sales, High, Low, Close, Net Change. Lists various OTC stocks and their performance.

Table with columns: Symbol, Sales, High, Low, Close, Net Change. Lists various NASDAQ stocks and their performance.

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